



Australian Bureau of Statistics

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DECIMAL CURRENCY

1. DEVELOPMENTS PRIOR TO CURRENCY ACT 1963

The Decimal Currency Committee was appointed by the Commonwealth Government in February, 1959, to investigate the advantages and disadvantages of a decimal currency; if a decimal currency was favoured, to make recommendations concerning the unit of account and denominations of subsidiary currency most appropriate for Australia and the method of introduction and the cost involved. The Committee presented its report in August, 1960, and the Summary of Conclusions and Recommendations contained therein appeared in Year Book No. 49, pages 835-7.

In April, 1963, the Government announced that, in accordance with the recommendations of the Decimal Currency Committee:

- (a) a system of decimal currency was to be introduced into Australia;
- (b) the tentative changeover date was set for February, 1966;
- (c) the new system would be based on a major unit (subsequently named the dollar) equal to the present ten shillings;
- (d) the minor unit (subsequently named the cent) of the new system would be one hundredth part of the major unit, and would thus be equal in value to 1 .2d. in the existing currency system; and
- (e) no fractions of the minor unit would be introduced.

The Government also announced that it would pay reasonable compensation to owners large proportion of monetary machines which would require conversion in order to be used under the new decimal system.

2. CURRENCY ACT 1963

The Currency Act 1963 (No. 67 of 1963), which was assented to on the 30th October, 1963, is the first of a number of Acts necessary to give effect to the governments decision. Briefly, the Act provides for the new currency and establishes the relationship between it and the existing system of pounds, shillings and pence, and specifies the denominations and minting and legal tender arrangements for the new decimal coins. Act also furnishes the Treasurer with certain powers for the purpose of

facilitating the from the existing to the decimal currency system, and establishes the Decimal currency Board.

Those parts of the Act which establish the new currency and provide for the decimal coins and the legal tender arrangements will come into operation on a date to be this date, referred to as C-day, has now been set for 14th February, 1966.

The arrangements for the introduction of a decimal currency presuppose a transition period of one-and-a-half to two years following C-day. The Currency Act 1963 does not cover the special requirements of this transition period, and further legislation will be introduced for this purpose. Among other things, it will cover the concurrent use of currencies and the legal tender arrangements during the transition period.

Under section 29 of the Currency Act 1963 the functions of the Decimal Currency Board are:

- (a) to make recommendations to the Treasurer on matters relating to the changeover to decimal currency and, in particular, on the compensation arrangements for monetary machines;
- (b) to exercise such powers as are authorised by the Treasurer; and
- (c) such other functions in relation to the introduction of decimal currency as the Treasurer determines.

Recommendations already made to the Treasurer, and subsequently incorporated into Government policy, concern particularly assistance to owners of monetary machines. The Board has also, following consultation with the Treasurer, issued advice and guidance on such matters as conversion tables and notation in decimal currency.

3. COMMONWEALTH ASSISTANCE

In accordance with the Government's original decision, assistance will be made available to owners of a large proportion of those monetary machines which require conversion or adaptation for decimal currency operation. The Government has already announced the machines which will qualify. These are: cash registers, adding machines, accounting machines, punched card tabulators and electronic computers, price-computing scales, price-computing fabric measuring machines, postal franking machines and electric petrol pump computers. For some, the assistance will take the form of conversion to decimal operation at Government expense as part of a conversion programme planned and supervised by the Decimal Currency Board; for others, it will take the form of a payment of cash compensation to the machine owner. Most policy decisions on Government assistance have been taken, and the categories of machines which will be eligible for Government assistance have been decided. Detailed arrangements for most machines had either been announced by May, 1965, or were being settled. The Government will not provide assistance in respect of changeover expenditure other than that involved in the conversion of monetary machines.

4. CONVERSION OF £ s.d. AMOUNTS TO DOLLARS AND CENTS

Part II of the Currency Act 1963 establishes the relationship between the present and the proposed currencies, and therefore provides the basis for conversion of amounts of £ a. d. to dollars and cents.

Although the pound converts exactly to two dollars and the shilling to ten cents, conversion problems can arise because there is a difference in value between the minor units (the penny and the cent) in the two currency systems. Part II of the Act provides the equivalents of £ s. d. currency in dollars and cents and set out certain circumstances in which an exact conversion must be made.

Part II also provides the following whole-cent conversion of amounts of pence:

Pence	Whole cents
1	1
2	2
3	2
4	3
5	4
6	5
7	6
8	7
9	8
10	8
11	9

Under the Currency Act 1963, this whole-cent conversion has the force of law where an amount of £ s. d., payable before C-day, is paid in dollars and cents after C-day. Other circumstances in which whole-cent conversions might be used will be covered by the supplementary legislation for the transition period.

Using the relationships established in the Currency Act 1963, the Decimal Currency Board has published three conversion tables:

- (a) an Exact Equivalents Table;
- (b) a Banking and Accounting Table; and
- (c) a Comprehensive Conversion Table.

The Exact Equivalents Table converts amounts of £ a. d. to their exact values in dollars and cents. This table is for use wherever it is necessary to obtain the exact equivalent of n amount of £ 5. d. in the new currency.

The banking and Accounting Table converts amounts of L a.d. to the nearest whole cent. This table would be used where it is practicable only to convert to whole-cents. The Comprehensive Conversion Table converts amounts ending in halfpence to the nearest whole-cent.

Neither of the Board's whole-cent conversion tables are in any sense designed to give direction as to how prices in £ a. d. should be converted to dollars and cents. The Board has no authority to fix prices or other charges.

5. NOTATION IN DECIMAL CURRENCY

The Board has made certain recommendations on the method of writing amounts in decimal currency. It is not considered practicable to prescribe, for all purposes, exact symbols for dollars and cents, or precise methods of expressing dollars and cents in

words or figures. Considerable latitude is to be allowed to the public in this area, just as at present, in this and other countries, there are several acceptable methods by which amounts of money may be expressed.

The main requirements are that the methods should be unambiguous and, in the case of cheques and other similar instruments, that the figures should be difficult to alter fraudulently. Also the symbols chosen to express dollars and cents should involve the minimum change to existing printing and other equipment. Guiding rules on the expression of monetary amounts in Australian decimal currency have been issued by the Board. The most important recommendations are:

- (a) the symbol for the dollar is \$ a capital S with two vertical strokes; acceptable alternatives may be used, for example, an S crossed by one vertical stroke;
- (b) the symbol for the cent is a small letter c; again acceptable alternatives may be used, for example, a c with a stroke through it or some stylised version of the c;
- (c) where it is necessary to distinguish the Australian dollar from overseas currencies, the letter A should be placed immediately after the dollar sign - \$A;
- (d) when using the dollar symbol and writing amounts of cents only, a nought should be placed between the symbol and the decimal point (for example, \$0.25);
- (e) when using the dollar symbol and writing amounts involving cents, there should always be two figures (where necessary, one of them a nought) following the decimal point (for example, \$26.09); and
- (f) in line with a strong preference expressed by the Australian banks, a hyphen should be used, instead of a decimal point, to separate the figures for dollars and cents in an amount hand-written on a cheque (for example, \$26-09).

6. PUBLIC EDUCATION CAMPAIGN

Since decimal currency will affect all members of the community of school age and above, there is need for a wide and penetrating public education Program, This has been seen from the outset as one of the Decimal Currency Board's principal functions and the Treasurer made special reference to it when announcing the appointment of the Board.

The Board has plans for a comprehensive publicity programme. All the main media-radio, press and delivery, by the Post Office, of an explanatory brochure to every in Australia - will be used. This programme will ensure that information on flow currency and the changeover arrangements will be available to all who require it.

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